GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4442
ANSWERED ON:19.05.2006
FINANCIAL ASSISTANCE FROM NABARD
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

(a) the number of projects such as irrigation construction of small tanks etc. received from different States seeking financial assistance from NABARD during the last three years and current year;

(b) the total amount released by NABARD to States, State-wise;

(c) whether the continuous drop in interest rates has increased the number of projects by States amd utilisation of funds by NABARD;

(d) if so, the details thereof; and

(e) the steps taken or being taken by Government to ensure that the projects of State Governments and amount sought by them is met with minimum interest rates?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Projects-wise details sanctioned under Rural Infrastructure Development Fund (RIDF) for various purposes such as irrigation (major, medium & minor),, etc. during 2003-04, 2004-05, and 2005-06 are given in AnneKore-1. Minor irrigation projects, among others, include construction of small tanks. During the current financial year (2006-07) , although the process of appraisal of project: under RIDF has started, no project has been sanctioned.

(b): State-Wise details of disbursement under RIDF during the year 2003-04,- 2004-05 and 2005-06 axe given in AnnexURE-II.

(c) and (d); NABARD has been fully utilizing the corpus every year irrespective of change in interest rates,. The corpus announced by the Government and sanctions there against by NABARD during the; last three years SLre as under :-

(Rs. Crore)

Year	Corpus	Sanctions
2003-04	5,500	5,599.21
2004-05	8,000	8,289.77
2005-06	8,000	8,514.33

(e): The rate of interest on loans provided to State Governments under RIDF is decided by the Reserve Bank of India. The interest rate under RIDF-XI has been linked to bank rate and State Governments are charged 0.5% above bank rate which comes to 6.5% p.a. at present.